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STATE F FOR THE DIRECTOR OF FOREIGN ASSISTANCE, EUR/ACE
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SUBJECT: New USAID Mission Director's January 24 Meeting with MFA's Konuzin on Partnering for Development

Sensitive but unclassified, not for internet distribution.

SUMMARY

¶1. (SBU) USAID's New Mission Director called on Alexander Konuzin, Director for International Organizations of the Ministry of Foreign Affairs (MFA) on January 24th to discuss the GOR's upcoming visit to the United States to learn about the USG approach to development assistance and identify areas of common interest for future partnering. (Note: President Putin approved a plan on Russia's Participation in International Development Assistance on June 14, 2007 -- a project often referred to as "RusAID"). The USAID Director noted that USAID's programs in Russia focus on partnership and collaboration, and that he will actively seek opportunities to expand cooperation. Konuzin expressed his hope that Russia could benefit from USAID's experience in delivering international assistance and that the visit to Washington scheduled for February 27-29 might serve as a basis for joint development efforts in third countries in the future. Konuzin said this cooperation would be a strong step forward to compensate for more confrontational elements of the bilateral relationship. End Summary.

FROM ASSISTANCE TO PARTNERSHIP

¶2. (SBU) On January 24th, the newly arrived Mission Director in his meeting with Alexander Konuzin, Director for the Department of International Organizations at MFA, stressed the desire to identify areas of cooperative partnership where the United States and Russia can advance along a common trajectory. Konuzin expressed deep appreciation for the assistance provided by the international community over the last 17 years, but noted that Russia is now becoming a donor country and that the environment has changed. He explained that the GOR has begun to view itself as an international donor, albeit a modest one. Waskin said he would look to the GOR to help USAID identify and expand areas of cooperation where our objectives coincide.

A RUSSIAN DEVELOPMENT AGENCY?

¶3. (SBU) The USAID Director reaffirmed USAID's earlier offer to support Russia's efforts to build its capacity for carrying out international humanitarian assistance and development activities and in particular to orchestrate a visit by the MFA, MinFin, and other interested GOR representatives to USAID in Washington. Konuzin said the dates of February 27-29th that USAID had previously proposed were suitable and had been discussed with MinFin (Note: MinFin coordinates Russia's participation in multilateral development banks

and is a central player in Russia's efforts to create a development agency. There have been some differences of opinion between MFA and MinFin regarding the desired shape of the "RusAID" program). Konuzin noted that MFA and MinFin are still grappling with the effort to find a common vision for Russia's development agency or assistance mechanism, but plans are moving forward.

¶14. (SBU) Konuzin said that Russia needs sound development models, observing that former Soviet attempts at assistance were not a good place to start. Konuzin is particularly interested in how, in practical terms, assistance is organized, planned, funded, and implemented. (Note: President Putin approved the concept paper for Russia's Participation in International Development Assistance on June 14, 2007. Even before President Putin officially endorsed the project, USAID was working with relevant Russia ministries and other donors including the World Bank, UNDP, and DFID to jump-start the idea).

¶15. (SBU) Konuzin said he believed that these joint efforts could pave the way for joint U.S.-Russian interventions in third countries when humanitarian and development situations warrant. Konuzin said that he needs more examples of cooperative partnership such as this to counter-balance other challenges to the U.S.-Russia bilateral relationship. Konuzin cautioned that Russia might not model all of its work on the U.S. experience, but emphasized that Russia will seek to learn from the U.S. experience and apply those lessons as appropriate.

COMMENT: BALANCING BETWEEN ENGAGEMENT AND PROGRESS

¶16. (SBU) Approaches to advancing USG transformational development objectives are multifaceted in Russia, often benefiting with engagement with the host government at some level to achieve results. In some areas such as anti-money laundering, partnerships with the GOR have yielded substantial results in reducing the threat of transnational crime. In health, HIV/AIDS programs under the Presidential Bratislava Initiative have begun to develop the joint capacities necessary for Russia to be a strong contributor to fighting HIV/AIDS in Africa. USAID programs to promote decentralized governance, fiscal reform, and community development have also been strengthened by USAID's relationship with local governments. However, in other areas USAID must find a way to reach USG objectives of a vibrant civil society, a diverse media environment, and political pluralism without GOR support.

¶17. (U) USAID/Russia will follow-up with USAID's Bureau for Europe and Eurasia regarding the visit planned for February 27-29. Post anticipates that this visit will include, inter alia, calls on the Office of the Director of Foreign Assistance, the USAID Administrator's Office, EUR/ACE, USAID's Bureau for Europe and Eurasia, and the Office of Management and Budget.

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